



Speech by

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VOLUNTARY CARBON CREDIT TRADING BILL

Mr LANGBROEK (Surfers Paradise—Lib) (8.46 pm): I rise to speak to the Voluntary Carbon Credit Trading Bill. I congratulate the deputy leader of the coalition, the member for Moggill, on his initiative in drafting this legislation, which represents a small but important step towards countering climate change. I note that the bill is designed to achieve domestic reductions in greenhouse gas emissions but in a way that does not crush the economy. As the member for Toowoomba South pointed out, that is a very important aspect to consider in the Queensland economy.

As the member for Moggill has outlined, the bill sets up a legislative framework for the purchase and trade of carbon credits. Carbon credits are a tradeable permit scheme providing a way to reduce greenhouse gas emissions by giving them a monetary value. A credit gives the owner the right to emit one tonne of carbon dioxide.

I want to quote from today's missive from the Beattie government ClimateSmart Adaptation, which states many facts about climate change such as there has been an 'increase in globally averaged temperatures since the mid-20th century'; 'warming of the climate system is unequivocal'; and '11 of the last 12 years (1995 to 2006) rank among the 12 warmest in the instrumental record of global surface temperature'. The report goes on to state—

In 2005, Australia recorded its warmest year since reliable, widespread temperature observations became available in 1910 ... Australian mean temperatures have increased by approximately 0.9 °C since 1910 ... In the last 50 years, annual average rainfall has increased in the north-west of the country and decreased in the south-west and in eastern areas, particularly along the coast.

There are some very interesting headings in the report. Under the heading 'Early action is cost-effective', the report refers to a 'report by the Australian Business Roundtable on Climate Change' and confirms that Australia must now 'build resilience to the unavoidable effects of climate change in our national infrastructure, natural habitats, resource management and the economy'. 'Queenslanders support action' is another heading. There are principles for adaptation—adaptation actions must contribute to sustainability; adaptation actions must not replace efforts to reduce greenhouse gas emissions; adaptation actions consider greenhouse gas emissions; and working in partnerships is fundamental. Under priority sectors, it covers areas like water planning and services; agriculture; human settlements; natural environment and landscapes; emergency services and human health; tourism, business and industry; and insurance and finance. All of those areas are affected.

All of these areas are affected. On page 12 it states that on 9 February 2007 the Queensland Premier signed the declaration on climate change. The declaration is supported by a series of high-priority actions that include beginning to implement an emissions trading scheme. Can I suggest that this is the emissions trading scheme that the government should consider. There is the word 'national' in the recommendations but for the sake of the word 'national' I think we could encourage the government to join us on this side of the House in supporting the initiative of the member for Moggill, the first scheme in Australia, the first formal credit exchange in Brisbane.

We have talked about the gradual and devastating effects of climate change and we need to think laterally, logically and beyond populist politics at the next election, be it on a local, state or federal level.

Each of these governments has a role to play in working towards a solution alongside enterprising individuals. Carbon credit trading is just one element of the solution. This bill codifies this element which I believe would be a groundbreaking and positive move for this state government.

The private member's bill before the House would give effect to laws that would allow corporations and individuals to manifest their commitment to saving our planet by giving them the opportunity to participate in a voluntary carbon credit trading exchange. Such a scheme would allow businesses, for example, to demonstrate their green credentials whilst also providing them a unique investment opportunity. The Voluntary Carbon Credit Trading Bill introduced by the member for Moggill establishes a trading company under the Government Owned Corporations Act to facilitate carbon credit trading in a number of forms. As we have heard from other members, it would provide certification to enterprises which voluntarily opt to cut their carbon emissions by investing in sequestration—that is, processes that remove carbon dioxide from the atmosphere such as forestry—and geosequestration. Secondly, those who voluntarily reduce carbon emissions by expending power from low or zero emissions industries would be eligible for certification for carbon trading under the bill. These industries, as others have mentioned, are biofuels, wind, solar, geothermal and hydroelectric sources of generating electricity.

Finally, as my colleagues have pointed out, enterprises may also be eligible for certification under the carbon trading exchange where they can demonstrate their emissions from traditional power sources such as coal have been reduced by an amount greater than the industry as a whole. In a free market system the right to pollute may be a tradeable good. It may be more economical for the high pollution company to purchase an emission right from a company with spare emission capacity than to pay excess emission fees. This bill provides parameters to allow unused emission rights to be sold on the open market. Their value may be quite high. Of course, such an industry would need to be regulated and monitored, which this bill provides.

The minister said that this scheme was a seventh mover and that the first mover advantage was gone. I do not necessarily believe that the first mover advantage is gone, nor that the voluntary nature of it makes it unacceptable considering that businesses are now signing up to it voluntarily. There will be a financial incentive for new industries as well as old industries to become more efficient and a significant stimulus to innovation, research and development and environmentally friendly activities such as revegetation.

The demand side of the carbon credit exchange would be in two categories. Retail credits would be offered on a voluntary basis with all car registrations, power bills and local authority rates where the local authority chose to participate in the scheme. This would enable householders to purchase carbon credits and effectively negate the impact of their activities and become greenhouse neutral in a similar way and complementary to the green option currently utilised on Energex bills. As the member for Moggill has mentioned, we would also seek support from airlines to include an optional offset with tickets.

To further strengthen the market, Queensland carbon credits will be made available for sale to any willing purchasers interstate, including so-called green local authorities and businesses that want the kudos of becoming greenhouse gas neutral. In potentially the most exciting development, we would seek to have Queensland carbon credits accepted for sale in the new Chinese Carbon Credit Exchange as well as existing exchanges in the northern hemisphere.

Markets for carbon credits currently exceed \$22 billion worldwide. Queensland could see a significant impetus in climate friendly business, new smart industries and the creation of many jobs. The proposed exchange in Queensland is in no way in conflict with developments that may potentially occur at the national or international level. Our exchange is carbon credits that are issued and purchased voluntarily. Should a national scheme of emission reductions be introduced, clearly Australia will need carbon credit exchanges for the transfer of carbon credits regardless of what type of incentive or penalty were applied at the national level. Queensland would be ready with an already established and operating carbon credits exchange.

Tonight we have a unique opportunity to take a positive step towards countering the negative effects of climate change. As I mentioned, this initiative is but one of many needed to reduce damaging emissions and prevent further environmental and atmospheric degradation. I congratulate the member for Moggill for his initiative and commend the bill to the House.